

ABSTRACT

Food and beverage industry continues to perform well as it continues to increase shareholder confidence. One of the efforts in continuing to increase the confidence of shareholders is to apply good corporate governance. Good corporate governance can affect shareholders to make a decision so that it will also affect the firm value.

This study was conducted to obtain the evidence of the affects of Good Corporate Governance which is proxied by managerial ownership and institutional ownership on firm value proxied by Tobin's Q in the food and beverage sub-sector listed on the Indonesia Stock Exchange in the period within 2012-2016. This study examines 5 companies that have been selected by purposive sampling method among 14 companies. This research uses secondary data which is obtained from annual reports and financial statements of the company.

Based on the result of hypothesis testing, it is found that managerial ownership significantly affects on firm values, while institutional ownership has no significant affect on firm values. Managerial ownership and institutional ownership simultaneously affect on firm values.

Key Words: Good Corporate Governance, Firm Values, Managerial Ownership, Institutional Ownership, Tobin's Q